

December 23, 2021

VIA EMAIL

To All BC Hatching Egg Producers, Hatcheries and Other Stakeholders

RE: 2022 STRATEGIC PLANNING – INVITATION TO COMMENT

On October 25-27, 2021, the BC Broiler Hatching Egg Commission conducted its strategic planning session for 2022. The Chair of the BC Chicken Marketing Board and the Chair and members of the Commission's Pricing and Production Advisory Committee (PPAC) – representing mainstream and specialty producers, hatcheries, and the Chicken Board – attended part of the session to provide comment on the Commission's initial draft of its 2022 strategic plan.

Certain Elements of Key Initiatives for 2022

1. Producer, Hatchery, Breeder Chick and Vaccine Pricing

The Commission's positions, objectives and conditions have been clearly articulated in the supervisory review process of the BC Farm Industry Review Board (BCFIRB). The Pricing Review has remained a top priority for the Commission and associated documents can be found on the pricing website <https://bcchickensectorpricingreview.com/>. Pricing is critical to all stakeholders in the BC chicken industry and the Commission has ensured that the pricing matters over which it has statutory jurisdiction are being taken fully into account.

The Commission's strategic and accountable approach is to support BC producers by using the same cost of production formula as in Alberta and Saskatchewan and to develop a pricing approach that supports BC hatcheries. Both of these initiatives are placing an increased emphasis on attaining efficiencies in the BC hatching egg sector to reduce costs to the system.

The Commission and the Chicken Board anticipate submitting their joint pricing proposals to BCFIRB in February with an aim to have a new pricing framework approved by period A-176.

2. Strategic Framework for the Industry

Over the past two years, the Commission and the Chicken Board have been working closely on pricing and other regulatory matters. This has included regular board to board meetings and the creation of a

sub-committee that is used to address the many provincial and national issues affecting both boards. This constructive liaison remains a priority for the Commission in 2022.

3. Administrative Penalties

Administrative penalties for biosecurity-related issues are defined by BCFIRB as “a financial penalty imposed on individuals who fail to comply with a particular rule. Administrative penalties are a situation appropriate, consistent, progressive, and timely enforcement tool. Penalties are intended to encourage swift compliance rather than be an onerous and expensive punishment.”

On May 19, 2021, BCFIRB advised the Commission that the Administrative Penalties Framework had been established and that individual boards were invited to submit their specific sector policies and procedures. The Commission will be developing these in consultation with hatching egg stakeholders and other boards.

4. Salmonella Enteritidis

The prevalence of SE in the BC hatching egg sector remains unacceptable to the Commission. During 2020 and 2021, the Commission consulted with the BC Egg Hatchery Association, the BC Broiler Hatching Egg Producers’ Association and the Chicken Board about developing a new SE management program and testing protocols for the sector. As well, the Commission has reviewed SE management programs in other jurisdictions, including the new Canadian Hatching Egg Producers national program.

The Commission has engaged Dr. Jane Pritchard to assess all this information and develop a new SE management program for use in the BC hatching egg sector. Due to ongoing COVID-19 impacts the program rollout was delayed to August 2021 and the next phases will take place in 2022.

Once this SE program is fully implemented and SE prevalence addressed, the Commission will be examining insurance options in consultation with industry stakeholders.

5. Quota Management

BCFIRB has required the boards to do a full examination of their quota policies through a Quota Assessment Tools Review (e.g., LIFO and 10/10/10). Commission staff are examining the new quota management policies of boards that have completed their own review to prepare the Commission for engagement with hatching egg stakeholders on this important issue in 2022.

New Producer Program

As part of its Quota Assessment Tools Review, the Commission will be reviewing its approach to new producers by reassessing the current mainstream program, developing a program for Asian Breeder new entrants and as outlined below, taking into consideration the potential for regional new entrants.

Regional Diversification

In its earlier strategic planning, the Commission included provisions for examining the possibility of regional diversification. At this year's strategic planning session, the Commission concluded that regional diversification to the Interior was critical. This would be in accord with government policy goals and support the hatcheries, chicken growers and processors already located in the Interior.

Perhaps even more critical in the long-term was to reduce the vulnerability of BC hatching egg production being limited to the Fraser Valley. Ongoing disease issues and the subsequent flooding have reinforced this view. The Commission recognizes that this initiative will take time and that there will be challenges to discuss with stakeholders; however, its goal is to have an implementation plan in place by the end of 2022.

Invitation to Comment

Specific work plans incorporating timelines and performance objectives will be developed in support of these and other Key Initiatives on the attached draft. If stakeholders have questions or comments about these Key Initiatives – or believes other issues should take priority – please advise the Commission office no later than January 13, 2022, for consideration at the Commission's board meeting on January 20, 2022.

Yours truly,



Jim Collins, Chair
BC Broiler Hatching Egg Commission

Attachment

cc: Harvey Sasaki – Chair, Chicken Board
Jim Byrne – Chair, PPAC
Angela Groothof – President, BCBHEPA
John Franck – President, BCEHA
Commission website

BC BROILER HATCHING EGG COMMISSION



2022 STRATEGIC PLAN

OUR VISION

It is through cooperation with industry stakeholders that our greatest successes will be derived.

OUR MISSION

To oversee the production activities of BC Broiler Hatching Egg producers and regulate the marketing of their product through hatcheries. To lead in dealing with participants in the value chain, all stakeholders, and the federal, provincial, and municipal governments.

OUR PURPOSE

As a part of the chicken supply chain, provide fair and sustainable orderly marketing in the BC Hatching Egg sector.

OUR BIG, HAIRY, AUDACIOUS GOAL

BC Broiler Hatching Eggs is a leader in the chicken industry in Canada.

OUR VALUES

Passion & exceeding expectations

Support of families, family farms and stakeholders

Self-improvement

Smart work with a dose of fun

Integrity

Results-oriented

Striving for excellence by thinking proactively

Act stewardly

KEY INITIATIVES

1. COP Pricing

- I. COP and Other Pricing Implementation:
 - i. Phase in to 100% COP and producer recovery information communications.
 - ii. Specialty COP
 - iii. Hatchery, breeder chick and vaccine pricing
- II. HERS Phase 2
 - i. Data for COP pricing
 - ii. Producer data portal
- III. Bird-Egg Equivalency Program
 - i. Research Ontario model
 - ii. Link to HERS

2. Strategic Framework for the Industry

- I. Summit Initiatives with the BC Chicken Marketing Board
 - i. Pricing
 - ii. Committee synergies
 - iii. Quality issues and resources
- II. Western Initiative
 - i. Communication
 - ii. Joint meetings
 - iii. Collaboration with western chicken boards

3. Administrative Penalties

- I. Develop work plan
- II. Submit to BCFIRB

4. Salmonella Enteritidis

- I. SE testing implementation
- II. Education sessions
- III. Prevention and mitigation strategies

- IV. Testing SOP update
- V. Pest control programs
- VI. Recurrence follow up
- VII. SE Insurance

5. Quota Management

- I. Quota Tools Assessment Review
 - i. Research frameworks
 - ii. Develop work plan
 - iii. Submit to BCFIRB
- II. New Producer Program Revamp
 - i. Framework review
 - ii. Applicant criteria review
- III. Regional Diversification
 - i. Consultation
 - ii. Framework review

DRAFT

Annual Financial Targets

	2020	2021	2022
<i>Levy</i>	1.9 cents	1.9 cents	2.0 cents ¹
<i>% of National Allocation</i>	100%	100%	100%
<i>COP Recovery</i>	100%	100%	100%
<i>Domestic Average Hatch</i>	85.0%	85.0%	85.0%

¹ Subject to a 3-5-year budget

DRAFT